



ENSYNC, INC. AUDIT COMMITTEE CHARTER

Purpose

The primary purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of EnSync, Inc. (the “Company”) is to assist the Board in fulfilling its oversight responsibilities with respect to financial reports and other financial information. In this regard, the Committee is to serve as the independent and objective body (1) to make such examinations as are necessary to monitor the Company’s financial reporting process and system of internal control over financial reporting, (2) to provide the Board with the results of its examinations and recommendations derived therefrom, (3) to outline to the Board improvements made, or to be made, in the financial reporting process and internal control over financial reporting, (4) to serve as the ultimate authority to which the independent auditors are accountable and to have the ultimate authority and responsibility to select, evaluate and replace the independent auditors, and (5) to provide to the Board such additional information and materials as it may deem necessary to make the Board aware of significant financial matters which require the Board’s attention. The Committee also assists the Board in its oversight of the Company’s compliance with legal and regulatory matters.

In addition, the Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

Composition

The members of the Committee and its chairperson shall be appointed by, and will serve at the discretion of, the Board. The Committee shall be made up of at least three independent members of the Board who meet the independence requirements of the Securities and Exchange Commission and NYSE American and at least one of whom shall be an “audit committee financial expert” in compliance with the criteria established by the Securities and Exchange Commission; provided that the Board may, in its discretion, elect to take advantage of any applicable exceptions from such requirements.

Authority and Responsibilities

The Board delegates certain responsibilities and duties to the Committee to assist the Board in fulfilling its oversight responsibilities, including the responsibilities and duties set forth below. The Committee shall:

1. Review on a continuing basis the adequacy of the Company’s financial reporting process and system of internal control over financial reporting.
2. Review and approve the selection, compensation and replacement of any independent auditors engaged by the Company for the purpose of preparing or issuing an audit report or related work.
3. Review the independent auditors’ proposed audit scope and approach.
4. Review and approve the provision by the independent auditors of all auditing services and any non-audit services and oversee compliance with the requirements of the Securities and Exchange Commission for independent auditors’ services and review and discuss with the independent auditors all significant relationships that the auditors and their affiliates have with the Company and its affiliates in order to determine the auditors’ independence.



5. Establish policies for the pre-approval of audit services, audit-related services, including internal control-related services, and permitted non-audit services to be performed for the Company by its independent auditors and pre-approve such services as required by such policies.
6. Review the performance of the independent auditors.
7. Review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements.
8. Review and discuss with management and the independent auditor, before release, the audited financial statements and Management's Discussion and Analysis in the Company's annual report on Form 10-K.
9. Review and discuss with management and the independent auditor, before release, the unaudited quarterly financial statements in the Company's quarterly financial statements and Management's Discussion and Analysis in the Company's quarterly reports on Form 10-Q.
10. Review the Company's quarterly and annual earnings releases.
11. Discuss with management and the independent auditors any significant changes in internal control over financial reporting.
12. Prepare the report of the Committee for inclusion in the Company's annual proxy statement.
13. Review the independent auditors' judgment about the quality and appropriateness of accounting principles as applied in financial reporting and consider significant changes to auditing and accounting principles and practices as suggested by the independent auditors or management.
14. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Company of concerns regarding accounting or auditing matters.
15. Review, in conjunction with counsel, any legal, regulatory, or compliance matters that could have a significant impact on the Company's financial statements.
16. Regularly discuss with management the Company's major risk exposures, their potential financial impact on the Company, and the steps taken to monitor and control those risks.
17. Regularly review the performance of the financial staff with the independent auditors.
18. If necessary, institute special investigations.
19. Review, pursuant to the Company's Policy and Procedures With Respect to Related Person Transactions, related party transactions for potential conflicts of interest.
20. Report to the Board on a regular basis and make such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate.



21. Perform other responsibilities reasonably related to the responsibilities specified above or otherwise delegated to the Committee by the Board.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. These matters are the responsibility of management and the independent auditors.

Meetings; Action by Written Consent

The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, but in any case, not less than four times annually. The Committee will meet separately with the independent auditors of the Company at such times as it deems appropriate to review issues warranting Committee attention. A majority of the members of the Committee shall constitute a quorum. All matters shall be determined by a majority vote of the members present. Action may be taken by the Committee without a meeting if all members consent thereto in writing and the writing or writings are filed with the minutes of the proceedings of the Committee.

External Advisors; Delegation

To the extent deemed necessary by the Committee, it shall have the authority to engage outside counsel, independent consultants and other experts at the Company's expense to review any matter under its responsibility. The Committee may form, and delegate authority to, subcommittees when it deems appropriate.

Other

Any amendment or other modification of this Charter shall be made and approved by the Board. This Charter shall be made available to the public on the Company's website.

Adopted Effective November 9, 2011